

The Small Business Administration will receive \$730 million from the Recovery Act. Some programs that will receive funding are:



- Temporary fee reductions or eliminations on SBA loans and increased SBA guaranteed shares, up to 90 percent for certain loans
- A new loan program to help small businesses meet existing debt payments
- An expansion of the SBA's Microloan program, enough to finance up to \$50 million in new lending and \$24 million in technical assistance grants to microlenders
- Improvements to technology systems to streamline SBA's lending and oversight processes
- An expansion to the SBA's Surety Bond Guarantee program

More information about Small Business Administration plans can be found by visiting www.sba.gov/recovery

Local SBA Office:

Minnesota District Office
100 North Sixth Street
Suite 210-C Butler Square
Minneapolis, Minnesota 55403
Ph:(612)370-2324
Fax:(612)370-2303

SBA Programs Receiving Funding

Surety Bond Guarantee Program: \$15 million

Description: "The U.S. Small Business Administration (SBA) can guarantee bonds for contracts covering bid, performance and payment bonds for small and emerging contractors who cannot obtain surety bonds through regular commercial channels. SBA's guarantee gives sureties an incentive to provide bonding for eligible contractors, and thereby strengthens a contractor's ability to obtain bonding and greater access to contracting opportunities. A surety guarantee, an agreement between a surety and the SBA, provides that SBA will assume a predetermined percentage of loss in the event the contractor should breach the terms of the contract." (from [SBA's SURETY BOND GUARANTEE PROGRAM](#))

Type of funding: Competition

How to apply: [Click here](#) to learn how to apply for a Surety Bond Guarantee through the SBA.

Temporary Fee Elimination and Increases to Loan Guarantees: \$375 million

Description: This provision calls for "temporarily eliminating fees on SBA-backed loans and raising SBA's guarantee percentage on some loans to 90 percent. (from [www.sba.gov/recovery](#))

Type of funding: Automatic

How to apply: The elimination of fees, announced on March 16, will remain in effect until the end of the calendar year or until the funding is exhausted. The elimination of fees is retroactive to the day the Recovery Act was signed into law.

Microloan Program: \$30 million

Description: "The Microloan Program provides very small loans to start-up, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. The average loan size is about \$13,000. Applications are submitted to the local intermediary and all credit decisions are made on the local level." (from [Finance Start-Up](#))

Type of funding: Competition

How to apply: SBA Microloans are made by local intermediaries. [Click here](#) to find the lender in your area.

Business Stabilization Loans: \$225 million

Description: The Recovery Act creates a new loan program to provide deferred-payment loans of up to \$35,000 to viable small businesses that need the money to make payments on an existing, qualifying loan for up to six months. These loans will be 100 percent guaranteed by SBA.

Type of funding: Loans

How to apply: For more information on these loans, please visit www.sba.gov/recovery .